March 14, 2019

**Quadrant:** Wholesale Electric Quadrant

**Subcommittee:** Executive Committee

**Recommendation:** 2018 AP Item 3.h

**Submitted By:** PJM Interconnection, LLC

PJM appreciates the opportunity to offer comments in response to NAESB’s February 12, 2019 request for Formal Comments pertaining to the 2019 WEQ Annual Plan Item 3.h/ R18011.

After careful review, PJM would like to raise the following points for consideration.

## Reliability Entities Will Be Impacted

The recommendation contains the statement “The proposed changes maintain consistency with the NERC INT-006-4 Reliability Standards,” but we note that “consistency with” is not the same as stating there will be no impact to Reliability Entities. The recommendation fundamentally changes the Market Assessment time granted to Market Entities (GPE, LSE, TPSE, MO, & TSP) and includes the statement “Entities in Column B will have their assessment times reduced by up to 60 seconds to account for the distribution window.” Based on the discussions that occurred at the CISS, we believe it is not only unreasonable to expect that Tag Authority software providers will calculate Assessment Windows differently for Market and Reliability entities, but that doing so would be unworkable given the proposed technical solutions. For that reason, the adoption and implementation of this recommendation will have a direct impact on Reliability Entities that must comply with NERC INT-006-4 in that they too will have their assessment times reduced by up to 60 seconds.

The recommendation fails to disclose in a transparent manner that these changes will impact Reliability Entities who must comply with the NERC INT-006-4 Reliability Standard. For that reason, we suggest that this recommendation should not be implemented until and unless similar modifications are incorporated into the NERC Reliability Standards.

## The Status Quo Interpretation and Software Solutions Are Sufficient

The recommendation makes clear that ambiguity exists with respect to the calculation of timings present in the WEQ-004 Appendix D Timing Tables; however, no argument or evidence is supplied to indicate why this ambiguity should be viewed in a negative light. In fact, we suggest that a small amount of ambiguity in regulatory language can be a positive feature and a purposeful component of language intended to permit entities latitude in their approach to compliance. From that standpoint, we cannot help but consider that each Tag Authority software provider has individually interpreted the current Timing Table language in the same way and constructed software solutions that adhere to the NAESB e-Tag Specification. Simply stated, the existing Timing Table ambiguity has not translated to non-standard software solutions. The Market and Reliability Entities impacted by these proposed changes have been utilizing the software designed via these interpretations, without incident, for well over a decade.

Despite the current ambiguity, we believe the status quo interpretation and technical solutions work sufficiently well; consequently, we suggest that a deviation from the status quo and many years of precedent must be qualified by a discussion that highlights why the status quo is deficient. The recommendation does not offer a persuasive argument in this regard.

## Insufficient Value Gained by Implementing the Proposed Changes

The recommendation contains no mention of identified operational, financial, or compliance risks as a rationale for adopting the proposed changes. As such, we believe it reasonable to expect that the proposal conveys sufficient benefit to justify the cost of implementation in terms of time, resources, and the socialized expense of software development. However, the recommendation appears to reflect only diminished value to impacted entities in the form of allocating less time to conduct a Market Assessment. As the compliance obligation created by Column B of WEQ-004 Appendix D Timing Tables resides with these Market Entities, the value gained by adopting this proposal and reducing the time available for compliance is not obvious. Similarly, the value gained by other entities as a result of limiting Market Entities in this fashion is not obvious.

It is PJM’s position that the recommendation fails to demonstrate sufficient value to justify the cost of implementation.